



March 27, 2022

To: Insurance Committee, Connecticut General Assembly

From: Laurie Sappern Gaugler, CLTC

Re: LTC Insurance Testimony

I appreciated the opportunity to address the Committee on March 17<sup>th</sup> during the Insurance Committee's Public Hearing on Long-Term Care Insurance (LTCI). I have been working in the field of LTCI exclusively since 2005. I have helped many clients create a plan to fund a potential need for care over these last 17 years. I have also assisted family members, friends, clients, and their parents with LTCI policy matters during that time. Over and over again, I have seen firsthand the importance of having a plan in place should there be a need for care, and the family crisis that can ensue without that plan.

My testimony follows, with an additional clarifying comment in parenthesis:

- David Guttchen and his team from the CT Partnership Office consistently provide fabulous support to my office. We are so thankful to have them as a resource that allows us to support our Partnership clients far better than if we had to go it alone.
- My husband and I have had a LTCI Partnership policy since 2007.
- My parents had LTCI policies, and used their benefits for home care, Assisted Living Facilities and Residential Nursing Care.
- Regarding the content of Bill 409, I am especially excited to see the tax credit. I'm looking forward to seeing how the pool referenced in Section 1 will be funded. I haven't had as many clients' policies impacted by significant rate increases as other agents have, so I will leave that topic to my able associates.
- However, I did want to raise two other concerns:

#### MEDICAID

We are doing a disservice to our constituents not to allow Medicaid to pay for Assisted Living. I believe there are some trial programs in place, and I urge you to continue and expand those programs. I have seen physically more able and cognitively more able Assisted Living residents required to move to a Nursing Home because they ran out of money. Those residents then receive less stimulation, have

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less in common with their neighbors and have a less rich life in a Nursing Home. I am sure Medicaid funding is complicated, but on the surface, Nursing Home costs are significantly more than those of Assisted Living.

#### CT PARTNERSHIP PROGRAM

I am concerned not to see any mention of the CT Partnership program in Bill 409. Currently, we have two relatively lower-rated carriers as options in the CT Partnership program. Can we find a way to work with Mutual of Omaha and National Guardian Life to bring them into the program? I know the issues are complicated but again, we are doing our constituents a disservice. Can we find a way to reach common ground with these two carriers on the obstacles and include these carriers in the program, if they are willing? (I want to clarify that while CT residents CAN purchase Mutual of Omaha and National Guardian Life LTCI policies, these carriers' policies are not in CT's Partnership program.)

Secondly, and equally important, the daily benefit requirement for a Partnership policy is over \$300. That is a very expensive policy. I would venture to say that not many Partnership policies have been sold in the last 5 years. We've made the Medicaid Asset Protection unattainable for those who would likely benefit from it. Yes, we want constituents to have a lot of coverage and gain a lot of asset protection should they go on claim, but in this environment, they are getting no asset protection at all because the daily benefit requirement renders the cost of the policy out of reach. Some LTCI benefit with care supplemented by family and friends that earns Medicaid Asset Protection is far better than no Medicaid Asset Protection. The Medicaid Asset Protection is a further inducement to purchase coverage, and this could all help our Medicaid coffers.

Again, I so appreciated the opportunity to testify about a subject near and dear to me. I welcome further discussion should you find it beneficial.

Sincerely,

Laurie Sappern Gaugler, CLTC  
Independent Long-Term Care Insurance Specialist